

MINUTES - REGULAR MEETING

February 12, 2024

Chairman John Gethins called the meeting to order on the above-mentioned date at 7:30 pm, at 10 Troy Hills Road, Whippany, NJ

Commissioners present: Ehrich, Cobane, Quinn, Gethins, Willans

Absent: None

Also Present: Township Liaison Brian Cahill

At this time the Chairman read the following: Pursuant to statutes made and provided, let the minutes show that notice of this meeting was transmitted to the following newspapers: the Daily Record; and filed with the clerk of the Township of Hanover and the Clerk of this Board.

At this time, the Chairman called for a moment of silence for:

Joseph Mihalko

MINUTES OF THE LAST MEETING

Comm Cobane called for the acceptance of the minutes from last month Comm. Quinn seconded the move, and it was carried by the following vote:

AYES: Gethins, Cobane, Quinn, Ehrich, Willans

ABSENT: None

NAYS: None

TREASURER’S REPORT: The following Treasurer’s report was submitted.

Treasurer's Report - February 12, 2024

For the month of January 2024

General Checking Account #: XXXXXX3244

TD Bank

Balance On Hand - December 31, 2023

\$1,421,748.59

January Checks

(\$235,599.50)

Deposits for the Month of January 2024

Hanover Twp District 3	half cost of air trailer	\$1,082.77
State of NJ	1st Quarter Fire Safety rebate	\$9,471.49
Whippany Fire Company	Rental Income	\$12,889.84
Whippany Fire Company	4th Qtr share of Utilities	\$1,626.68

Registration Fees	Cash & Checks	\$150.00
Tyler Technologies	2008 Registration fees	\$750.00
Tyler Technologies	2011 Permits	\$54.00

Balance on Hand, January 31, 2024 **(matches Quickbooks)** **\$1,212,173.87**

Checks Submitted this Month's Meeting **\$270,586.62**

Business 12 Month CD -x0575 **Matures 12-7-23** **\$214,995.77**
3.15%

Business 6 Month CD - TD Bank X9425 **Matures 9-4-23** **3.49%** **\$213,859.59**

Penalty Checking Account # XXXX3773
TD Bank

Balance on Hand, January 31, 2024 **\$3,737.07**

A motion to accept the Treasurer's report with the correct dates was made by Comm. Ehrich. It was seconded by Comm. Quinn and passed unanimously.

CHIEF'S REPORT:

Supplies, Equipment, and Maintenance

- Purchases made from Amazon for office supplies
- Supplies purchased from Home Depot

Apparatus

- Rescue 20 Back in service, however needs some other repairs. (quote attached)

Training

Month of January

- Bloodborne right to Know Training was completed on multiple occasions (annual requirement)
- SCBA Refresher was completed (annual requirement)

Purchases

- Not at this time

Fire Prevention

- **82** Inspections / re-inspections were conducted last month. **\$ 1,154.00** in fees were billed and being collected. Total of **\$3,390.00** for 2024.

EMS

- (80) Calls were answered last month.

Fire

- (43) Calls were answered last month.

123 Total calls answered

Other Matters and Announcements

- Conducted Plan reviews
- Conducted Spec reviews
- DCA Minimum Mandatory Qualifications In process (ongoing)
- 2023 Right to Know survey was completed and filed with the state
- Completed OPRA Request from Attorney Lane Biviano.
- Attend Table Top drill @ town hall for LP release @ Morristown & Erie transload site.
- Created new log for time for 2024.

A motion was made to accept the Chief's report by Comm. Quinn. It was seconded by Comm. Cobane and passed unanimously.

COMMUNICATIONS

- Our 6 month CD 9425 will be maturing. It will be rolled over again.
- Finish Line Car Wash increasing their price from \$12 to \$14.

*A motion was made that we still allow the use of Finish Line for our car washing needs. The motion was made by Comm. Willans and seconded by Comm. Quinn. It passed unanimously.

- An engagement letter was received from our Auditing firm of Nisivoccia.

* A motion was made by Comm. Willans that we continue using their services and sign the engagement letter. The motion was seconded by Comm. Cobane and passed unanimously. The letter is attached to these minutes.

COMMITTEE REPORTS

Personnel: Nothing at this time.

Apparatus: Nothing at this time.

Insurance: Nothing at this time.

TOWNSHIP – Nothing at this time.

FIRE CO: - Nothing at this time.

OLD BUSINESS –

- New rope equipment has come in and has been logged in.
- The revised Fire Ordinance was submitted to Joe Giorgio at the Town.
- The message about the budget went out before the election.

Commissioner Willans also stated that the counselor who was approved to be on hand to help anyone who needs to talk, will be here 1 night a month for an hour. It will be the second Thursday of the month and is an open door process – Open to membership and their families. It will start in March.

NEW BUSINESS –

The Chief said that the 2023 Right to Know has been completed regarding all the chemicals that are here on site.

He also stated that he has 3 OPRA requests.

1. From Attorney Lane Biviano regarding emails.
2. A request for a report from a motor vehicle accident.
3. A request for copies of emails from the Chief to the Board.

Two of these are done and one is in the works.

January 23rd – FF Ian Bell and the Chief completed a tabletop training at the township regarding gas leaks and their responses. Soon after, there was a semi stopped on a bridge right here in town that had a gas leak.

Apparatus – Rescue 20 is back in service but the electrical issues continue. It has lots more problems. It needs light bulbs – they will cost \$932 for Halogen. There are 2 lights out and they are looking into prices for LED.

Chief says we have invested \$18,000 in this truck and it is nearing the 20 year mark. He would once again urge the Board to reconsider the purchase of a new apparatus.

The Board said that we have to fix it for now and the Chief agreed.

The election stuff is all ready. We need some signs. We should still have them.

Board asked the Chief about any progress with the payment from the gym. The owner received another notice from the Court that he has to pay us.

Comm. Cobane asked the Board's permission to use this conference room for the Touchdown Club meetings maybe twice a month. The Board gave their permission.

PUBLIC PART OF THE MEETING 22 members of the public attended.

A member of the public, Terri Baird spoke. She stated that looking at the budget, she was disappointed. The DCA worksheets were not on the website and there was no place to compare with last year's. She would like the website to be more transparent so the public could be more informed. She also stated that the budget that is on there should be paginated correctly – the last column was kicked off the page.

She also stated that she would like to see a sample ballot on the website page also.

And that the Fire Commissioners should be listed. She had clicked one name and got someone else's email. Everything should be transparent to the public.

Tom Braviak spoke. He thanked Comm. Willans for his time on the Board and dedication. The statement was met with applause. Comm. Willans is not running for re-election so this will be his last meeting.

A question was asked about where the notice of tonight's meeting was posted. In March, after the elections, all the upcoming year's meeting dates are put into the paper. Also, it says right on the website that the meetings are the second Monday of each month.

Mary Beth Cowley asked about the legal services of our labor attorney and any bills he has sent. His last bill was for working on the SOGs and he has not submitted a bill since December.

FF Joe Mihalko, Jr, thanked the Board for the funeral services for his father. On behalf of his mother and family, he was very touched by the outpouring and services.

BILLS

Comm. Ehrich moved that the following bills be paid. The move was seconded by Comm. Cobane and was carried by the following vote:

AYES: Gethins, Ehrich, Quinn, Cobane , Willans

ABSENT: None

NAYS: None

01/01/2024	13278	PNC Equipment Finance	-SPLIT-	130,862.65
01/01/2024	13279	Acrisure - Holmes & McDowell	7001 Vehicle Insurance	-10,277.54
01/02/2024	13281	Verizon Wireless 884	6013 Bldg - Cable /VOIP/Verizon	-152.04
01/02/2024	13282	Home Depot Credit Services	20 / 80	-21.34
01/02/2024	13283	Nisivoccia, LLP	5005 Accounting (Audit)	-4,000.00
01/02/2024	13284	Microsoft	5013 Office Supplies 8604 ERS /Power DMS/Mobile EYES	-345.00
01/02/2024	13285	When to Work, Inc	5013 Office Supplies	-200.00
01/02/2024	13286	Amazon Business	5013 Office Supplies	-976.13
01/02/2024	13287	Township of Hanover	-SPLIT-	-1,034.55
01/02/2024	13288	Janet Hammond	5013 Office Supplies	-53.23
01/02/2024	13289	Cobane, Rob	4012 Fuel Vouchers	-25.00
01/02/2024	13290	Cowley, Dale	4012 Fuel Vouchers	-40.00
01/02/2024	13291	Desien, Marc	4012 Fuel Vouchers	-40.00
01/02/2024	13292	Falkman, Ryan	4012 Fuel Vouchers	-15.00
01/02/2024	13293	Gethins, John, JR	4012 Fuel Vouchers	-25.00
01/02/2024	13294	Hueg, Kamdin	4012 Fuel Vouchers	-25.00
01/02/2024	13295	Jubinski, Ken	4012 Fuel Vouchers	-15.00
01/02/2024	13296	Kelly, Eric	4012 Fuel Vouchers	-25.00
01/02/2024	13297	Koba, Jack	4012 Fuel Vouchers	-25.00
01/02/2024	13298	Krygoski, Eric	4012 Fuel Vouchers	-25.00
01/02/2024	13299	Monahan, Michael	4012 Fuel Vouchers	-25.00
01/02/2024	13300	Santini, Anthony	4012 Fuel Vouchers	-25.00
01/02/2024	13301	Santini, Joseph	4012 Fuel Vouchers	-25.00
01/02/2024	13302	Shearer, Derrick	4012 Fuel Vouchers	-50.00
01/02/2024	13303	Tursi, Frank	4012 Fuel Vouchers	-40.00
01/02/2024	13304	Kelly, Eric	4012 Fuel Vouchers	-15.00
01/02/2024	13305	Fire and Safety Services, LTD	21 / 81	-625.01
01/05/2024	13306	Lane Biviano, Esq.	5006 Legal Expense 8604 ERS /Power DMS/Mobile EYES	-630.00
01/05/2024	13307	ESO	5013 Office Supplies	-246.40
01/05/2024	13308	Performance Ford	7003 Vehicle Maintenance - Cars	-103.95
01/08/2024	13309	Braslow, Richard M. Esq	5006 Legal Expense	-1,380.00
01/08/2024	13310	JCP&L 10 Troy	6001 Building - Gas & Electric	-1,158.78

01/12/2024	13311	Police & Firemen's Insurance Association	4006 Police & Fire Insurance	-590.16
01/12/2024	13312	JCP&L 10 Troy	6001 Building - Gas & Electric	-1,230.52
01/12/2024	13313	Optimum 10 Troy	6013 Bldg - Cable /VOIP/Verizon	-414.32
01/12/2024	13314	Auto Zone	7003 Vehicle Maintenance - Cars	-20.85
01/12/2024	13315	PSE&G 10 Troy	6001 Building - Gas & Electric	-523.58
01/12/2024	13316	Eastern Janitorial	6008 Bldg - Cleaning Services 8604 ERS /Power DMS/Mobile EYES	-605.00
01/12/2024	13317	Tyler Technologies		-5,513.23
01/12/2024	eft	NJ Division of Pensions & Benefits Health	4001 Medical/Dental Insurance	-11,586.79
01/15/2024	eft	Board of Fire Commissioners	Employee Payroll	-1,117.77
01/16/2024	13318	Ehrich, Robert A	8603 Other Subscriptions	-649.00
01/16/2024	13319	SMCMUA 10 Troy	6002 Water & Sewer	-506.14
01/16/2024	eft	Board of Fire Commissioners	Employee Payroll	-29,246.28
01/26/2024	13320	Standard Insurance Co	4003 Life Insurance	-1,825.80
01/26/2024	13321	Koba, Jack	8201 Training - Classes	-111.22
01/26/2024	13322	Paul Perrello	5013 Office Supplies	-29.86
01/26/2024	13323	Bell, Ian	5013 Office Supplies	-294.16
01/26/2024	13324	Approved Fire Protection	8004 Testing - Extinguishers	-471.26
01/29/2024	13325	US Bank Equipment Finance	5012 OfficeEqpt Rental (copier)	-263.03
01/29/2024	13326	CF Services	7005 Vehicle Maintenance	-4,389.05
01/31/2024	eft	Board of Fire Commissioners	Employee Payroll	-23,704.86
02/02/2024	13327	Morris County Improvement Authority	Fees 8604 ERS /Power DMS/Mobile EYES	-5,981.25
02/02/2024	13328	ESO		-246.40
02/02/2024	13329	Verizon Wireless 884	6013 Bldg - Cable /VOIP/Verizon	-152.04
02/02/2024	13330	Home Depot Credit Services	6012 - Bldg/Grounds Maintenance	-119.85
02/02/2024	13331	Verizon 838	6013 Bldg - Cable /VOIP/Verizon	-187.63
02/05/2024	13332	Approved Fire Protection	8004 Testing - Extinguishers	-401.41
02/05/2024	13333	Amazon Business	5013 Office Supplies	-766.70
02/05/2024	13334	Braslow, Richard M. Esq	5006 Legal Expense	-900.00
02/05/2024	13335	Morris County Fire Prevention Assoc. Inc.	8603 Other Subscriptions	-300.00
02/05/2024	13336	Black Meadows Mutual Aid Association	Membership Dues & Subscriptions	-100.00
02/05/2024	13337	Casey & Keller	6004 Building Storm Water	-1,175.00
02/05/2024	13338	Amtrust North America	4009 Workers Comp	-6,066.00
02/05/2024	13339	Optimum 10 Troy	6013 Bldg - Cable /VOIP/Verizon	-414.32
02/05/2024	13340	JCP&L 10 Troy	6001 Building - Gas & Electric	-1,125.43
02/05/2024	13341	PSE&G 10 Troy	6001 Building - Gas & Electric	-817.00
02/05/2024	13342	NJ Career Chiefs Association	8603 Other Subscriptions	-375.00
02/09/2024	eft	NJ Division of Pension & Benefits- Pension	3007 Payroll Deductions	-800.00
02/09/2024	eft	NJ Division of Pension & Benefits- Pension	3007 Payroll Deductions	-4,000.00
02/09/2024	13343	Stewart & Stevenson Power Products	6011 Bldg - Station Generator	-500.00
02/09/2024	13344	Castle Fire Protection	6006 Bldg - Sprinkler / Castle	0.00
02/09/2024	13345	Lifesavers, Inc.	8205 Promotions	-1,135.00
02/09/2024	13346	Finish Line Car Wash	7003 Vehicle Maintenance - Cars	-12.00
02/09/2024	13347	Clean Air Company	6014 Vehicle exhaust system rpr	-1,224.50
02/09/2024	13348	Emma Cobane	5016 Election	-125.00
02/09/2024	13349	Patricia Cobane	5016 Election	-125.00
02/09/2024	13350	NJ Division of Pension & Benefits- Pension	3007 Payroll Deductions	-2,275.11
02/09/2024	13351	Ciullo, Michael 1	4012 Fuel Vouchers	-40.00
02/09/2024	13352	Cobane, Rob	4012 Fuel Vouchers	-25.00

02/09/2024	13353	Cowley, Dale	4012 Fuel Vouchers	-40.00
02/09/2024	13354	Danus, James	4012 Fuel Vouchers	-15.00
02/09/2024	13355	Desien, Marc	4012 Fuel Vouchers	-15.00
02/09/2024	13356	Dodson, Jake	4012 Fuel Vouchers	-25.00
02/09/2024	13357	Falkman, Ryan	4012 Fuel Vouchers	-15.00
02/09/2024	13358	Gethins, John, JR	4012 Fuel Vouchers	-25.00
02/09/2024	13359	Hueg, Kamdin	4012 Fuel Vouchers	-40.00
02/09/2024	13360	Kelly, Eric	4012 Fuel Vouchers	-25.00
02/09/2024	13361	Koba, Jack	4012 Fuel Vouchers	-25.00
02/09/2024	13362	LaSota, Mathew	4012 Fuel Vouchers	-40.00
02/09/2024	13363	Makowski, Joseph	4012 Fuel Vouchers	-25.00
02/09/2024	13364	Monahan, Michael	4012 Fuel Vouchers	-40.00
02/09/2024	13365	Santini, Anthony	4012 Fuel Vouchers	-15.00
02/09/2024	13366	Santini, Joseph	4012 Fuel Vouchers	-40.00
02/09/2024	13367	Shearer, Derrick	4012 Fuel Vouchers	-50.00
02/09/2024	13368	Tursi, Frank	4012 Fuel Vouchers	-25.00
02/09/2024	13369	Ziccarello, Ricky	4012 Fuel Vouchers	-40.00
02/12/2024	13370	Police & Firemen's Insurance Association	4006 Police & Fire Insurance	-590.16
02/12/2024	13371	NJ Deputy Fire Cheifs Association	8603 Other Subscriptions	-50.00
02/12/2024	13372	Castle Fire Protection	6006 Bldg - Sprinkler / Castle	-3,800.00
02/12/2024	13373	VE Ralph & Sons, Inc	7022 Medical Supplies	-120.50
02/12/2024	13374	Auto Zone	7003 Vehicle Maintenance - Cars	-65.79
02/12/2024	13375	Township of Hanover	7018 Fuel Apparatus	-230.73
02/12/2024	13376	Wegman's	8205 Promotions	-240.30
				-
				<u>270,586.62</u>
				-
				<u><u>270,586.62</u></u>

At 7:52, a motion was made to go into closed session to discuss collective bargaining matters. The motion was made by Comm. Cobane and seconded by Comm. Ehrich. It passed unanimously.

Board came out of Closed Session at 8:32 pm and the public welcomed back in.

Mentioned that there needs to be an AYE vote after each motion. Can't just say nothing.

Comm Cobane made a motion to adjourn. Comm. Ehrich seconded the motion and it passed by the following vote.

AYES: Gethins, Cobane, Quinn, Ehrich, Willans

ABSENT:

NAYS: None

The meeting was adjourned at 8:37.

Respectfully submitted,
Janet Hammond
Assistant to the Board



200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973.298.8500

11 Lawrence Road
Newton, NJ 07860
973.383.6499

nisivoccia.com

Independent Member
IFR International

January 26, 2024

The Honorable Members of the Board of Fire Commissioners
Hanover Township Fire District No. 2
10 Troy Hills Road
Whippany, NJ 07981

We are pleased to confirm our understanding of the services we are to provide Hanover Township Fire District No. 2 (the "District").

You have requested that we audit the financial statements of the District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those financial statements.

Accounting principles generally accepted in the United States of America (U.S. G.A.A.P.) as promulgated by the Governmental Accounting Standards Board require that certain required supplementary information (RSI) and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Supplementary schedules are required by the "New Jersey Local Authorities Accounting Principles and Auditing Standards Manual"
3. GASB Statement #'s 68/75 required supplementary information schedules (if applicable)

Supplementary information will accompany the District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the various fund financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the *basic* financial statements as a whole:

1. Schedules of Expenditures of Federal and State Awards
2. Other Supplementary Schedules not included in RSI (if applicable)

Schedules of Expenditures of Federal and state and State Awards

We will subject the schedules of expenditures of federal and state awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedules to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedules of expenditures of federal and state awards are presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement if a federal single audit is required, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Auditor Responsibilities

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be

detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards* of the Comptroller General of the United States of America and the audit requirements prescribed by the Division. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the *basic* financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the District's *basic* financial statements. Our report will be addressed to the governing body of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Compliance with Laws and Regulations

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the District's major federal and/or state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and NJOMB 15-08, and will include tests of accounting records, a determination of federal and/or state programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal and/or state award program compliance and to render the required reports, if a federal and/or state single audit is required. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and NJ OMB 15-08 require that we also plan and perform the audit to obtain reasonable assurance about whether the District has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal and/or state award programs. Our procedures will consist of determining major federal and/or state programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. The purpose of those procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with

compliance requirements applicable to each of the District's major federal and/or state award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the District's major federal and/or state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the *basic* financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's basic of accounting, and the budget laws of New Jersey;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the *basic* financial statements that are free from material misstatement, whether due to fraud or error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and;
3. For including the auditor's report in any document containing *basic* financial statements that indicates that such basic financial statements have been audited by the District's auditor;
4. For identifying and ensuring that the District complies with the laws and regulations applicable to its activities;
5. For identifying, in its accounts, all federal and state awards received and expended during the year ended December 31, 2021 and the federal and state programs under which they were received;
6. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
7. For preparing the schedules of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
8. For the design, implementation, and maintenance of internal control over federal and state awards;
9. For establishing and maintaining effective internal control over federal and state awards that provides reasonable assurance that the nonfederal and state entities are managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
10. For identifying and ensuring that the District complies with federal and state statutes, regulations, and the terms and conditions of federal and state award programs and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, and the terms and conditions of federal and state award programs;
11. For disclosing accurately, currently, and completely the financial results of each federal and state award in accordance with the requirements of the award;
12. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
13. For taking prompt action when instances of noncompliance are identified;
14. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;

15. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
16. For submitting the reporting package and data collection form to the appropriate parties, where applicable;
17. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
18. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the *basic* financial statements, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.
17. For adjusting the *basic* financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the District involving management, employees with significant role in internal control and others where fraud could have a material effect on the financial statements and compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited *basic* financial statements, or if the supplementary information will not be presented with the audited *basic* financial statements, to make the audited *basic* financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

With regard to the schedule of expenditures of federal and state awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedules of expenditures of federal and state awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedules of expenditures of federal and state awards, (c) to include our report on the schedules of expenditures of federal and state awards in any document that contains the schedule of expenditures of federal and state awards and that indicates that we have reported on such schedules, and (d) to present the schedules of expenditures of federal and state awards with the audited financial statements, or if the schedules will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedules of expenditures of federal and state awards no later than the date of issuance by you of the schedules and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Reporting

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the governing body of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

If a federal and/or state single audit is required, we will also issue a written report on compliance for each major federal and/or state program and report on internal control over compliance upon completion of our audit.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Provisions of Engagement Administration, Timing and Fees

The timing of our audit will be scheduled for performance and completion with management. We expect to issue our reports no later than the statutory due date (pending no delays from the State of New Jersey, Division of Pensions in issuing the GASB 68 & 75 report).

Man C. Lee is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Nisivocchia LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility. Our fee for the audit will be \$12,350 and our fee for the assistance and/or preparation of the 2024 budget will range from \$2,750 to \$4,500 based on the scope of the work. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 120 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We will notify you immediately of any circumstances we encounter that could significantly affect this fee. Whenever possible, we will attempt to use the District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

Other Matters

We are not hosts for any client information. You are expected to retain all financial and non-financial information to include anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We are not financial advisors under the SEC's definition related to debt issuances and we will not be performing those services.

Nisivoccia LLP will not act as dissemination agent for the District in connection with the District's obligations, if any, to provide secondary market disclosure. Our work to prepare secondary market disclosure documents shall consist of and be limited to (1) distribution of the District's audited *basic* financial statements to the District or its designated dissemination agent in an electronic format that complies with the requirements of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port, and (2) preparation of certain operating data, customarily consisting of the financial information, readily available in the *basic* financial statements of the District, contained in Appendix A to an Official Statement, and distribution of that data to the District or its designated dissemination agent in an electronic format that complies with the requirements of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port. The District, or its designated dissemination agent, shall remain responsible for filing required secondary market disclosure information and "material event" notices in accordance with any prior undertakings, and Nisivoccia LLP shall not have any responsibility nor liability for the failure of the District, or its designated dissemination agent, to comply with the District's secondary market disclosure undertakings.

With regard to the electronic dissemination of audited *basic* financial statements, including *basic* financial statements published electronically on your website and on the **Municipal Securities Rulemaking Board's** Electronic Municipal Market Access Data Port, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

MSRB Municipal Advisor Rule:

On September 18, 2013, the Securities and Exchange Commission (the "SEC") adopted a rule requiring that "municipal advisors" register with the Securities and Exchange Commission. A "municipal advisor" is someone that "provides advice to or on behalf of a municipal District with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues[.]" Nisivoccia LLP is not a registered Municipal Advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities. Accordingly, pursuant to the new Municipal Advisor rule and absent the available exception to the rule discussed below, Nisivoccia LLP cannot provide the District with advice or recommendations regarding the issuance of municipal securities.

Under the Municipal Advisor rule, the District may continue to receive advice from its auditor, bond counsel and other professionals, provided both the District and the professional satisfy the "Issuer Has Hired an Independent

Municipal Advisor Exemption". First, as municipal issuer, the District needs to have (i) engaged an independent registered municipal advisor and (ii) made such engagement known in writing to the person seeking to rely on the exemption and/or post this declaration on the District's web site. Second, the person relying on this exemption, such as us, your bond counsel and others, must:

1. Obtain a written representation from the District that it is represented by, and will rely on the advice of, an independent registered municipal advisor. The written representation from the District may be a declaration posted on the District's web site as long as the posting states that the representation is intended to establish the independent municipal advisor exemption pursuant to the Municipal Advisor rule.
2. Provide written disclosure to the District and its independent registered municipal advisor that, by obtaining such representation from the District, the firm is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities; and
3. Provide the written disclosure described above at a time and in a manner reasonably designed to allow the District to assess the material incentives and conflicts of interest that such person may have in connection with the municipal advisory activities.

The audit documentation for this engagement is the property of Nisivoccia LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to a Cognizant or Oversight Agency for Audit or its designee, and federal and state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Nisivoccia LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of seven years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

The following are the nonattest services that we will perform:

We will assist in preparing the basic financial statements, the required supplementary information, the supplementary information other than RSI including the schedules of expenditures of federal and state awards (if applicable), and related notes of the District and as well as the other supplementary schedules in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and NJOMB 15-08 based on information provided by you. Additionally, we will assist you in the preparation of a trial balance limited to formatting information into a working trial balance based on your management's chart of accounts. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

We will not assume management responsibilities on behalf of the District. However, we will provide advice and recommendations to assist management of the District in performing its responsibilities.

The District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services (the Treasurer); (c) evaluating the adequacy

of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards, including *Government Auditing Standards*.
- This engagement is limited to the services listed as follows: assistance in preparing the basic financial statements, the required supplementary information, the supplementary information other than RSI including the schedules of expenditures of federal and state awards, and related notes of the District and as well as the other supplementary schedules in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and NJOMB 15-08 based on information provided by you. Additionally, we will assist you in the preparation of a trial balance limited to formatting information into a working trial balance based on your management's chart of accounts. Finally, we will assist you with the adjustments to convert your budgetary basis records to the accrual basis of accounting and then to the district-wide basis with supporting schedules and calculations prepared by you.

Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Honorable President and members of the District the following significant findings from the audit:

- Our view about the qualitative aspects of the District's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and

- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the *basic* financial statements and the audit of compliance over major federal and/or state award programs, if applicable, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee
Man C. Lee, Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the District by:

Name: *R. Allen Etnik*

Title: *COMMISSIONER*

Date: *2/12/2024*